
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Transmittal 524

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Date: APRIL 15, 2005

CHANGE REQUEST 3736

SUBJECT: Clarification to the Health Professional Shortage Area Language in the Medicare Claims Processing Manual

I. SUMMARY OF CHANGES: This CR clarifies language in the manual that contractors may have been interpreting in a way that would limit payment of the mental health HPSA bonus to a specific group of services. The manual is being revised to indicate that the bonus is payable for all professional services provided by a psychiatrist in a mental health HPSA that he is licensed to provide. Contractors shall review any over payment actions taken on mental health HPSAs and take action to cancel the overpayment recoupment action or return any overpayments already collected as necessary.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: May 16, 2005

IMPLEMENTATION DATE: May 16, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	12/90.4.5/ Services Eligible for HPSA and Physician Scarcity Bonus Payments

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Unless otherwise specified, the effective date is the date of service.**

Attachment - Business Requirements

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SUBJECT: Clarification to the Health Professional Shortage Area (HPSA) Language in the Medicare Claims Processing Manual

I. GENERAL INFORMATION

A. Background: Effective July 1, 2004, contractors began making HPSA bonus payments to psychiatrists furnishing services in mental health HPSAs. Some contractors may have interpreted the information in the Medicare Claims Processing Manual Pub. 100-04, Chapter 12, § 90.4.5C to limit bonus payments in the mental health HPSAs only to services they determined were mental health services, and have initiated overpayment recovery actions for bonuses they determined to be paid incorrectly. CMS has determined that this is incorrect. This CR directs contractors to return any bonus payments to psychiatrists incorrectly recovered in any overpayment actions and to make bonus payments for those services that were initially withheld.

B. Policy: Psychiatrists performing services in mental health HPSAs are eligible to receive the bonus payment for all professional services they provide in those areas.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3736.1	Contractors that limited HPSA mental health bonus payments only to services they considered to be mental health services shall review any overpayment recoupment action taken since implementation of the HPSA mental health bonus payments on July 1,2004.			X						
3736.2	Contractors shall cancel any overpayment recoupment actions currently in process for HPSA mental health bonus payments made for services, they did not consider to be mental health services.			X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		FI	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3736.2.1	Contractors shall refund any overpayments already collected for services that are physician professional services, but are services they did not consider to be mental health services.			X						
3736.2.2	Should contractors that limited HPSA mental health bonus payments only to services they consider to be mental health services have withheld payment of a bonus, they shall make that bonus payment.			X						
3736.2.3	Contractors that need to refund an incorrect overpayment collection or pay a bonus previously withheld, shall not wait until the next quarterly bonus payment, but shall issue the funds within 30 days of the issuance date of this CR.			X						

III. PROVIDER EDUCATION

[illegible]

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations:

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: May 16, 2005	No additional funding will be provided by CMS; Contractor
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<p>Implementation Date: May 16, 2005</p> <p>Pre-Implementation Contact(s): Cynthia Glover (410)786-2589</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>activities are to be carried out within their FY 2005 operating budgets.</p>
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90.4.5 - Services Eligible for HPSA and Physician Scarcity Bonus Payments

(Rev. 524, Issued: 04-15-05; Implementation and Effective Dates: 05-16-05)

A - Information in the Professional Component/Technical Component (PC/TC) Indicator Field of the Medicare Physician Fee Schedule Database

Carriers use the information in the Professional Component/Technical Component (PC/TC) indicator field of the Medicare Physician Fee Schedule Database to identify professional services eligible for HPSA and physician scarcity bonus payments. The following are the rules to apply in determining whether to pay the bonus on services furnished within a geographic HPSA or, physician scarcity bonus area.

PC/TC Indicator	Bonus Payment Policy
0	Pay bonus
1	<p>Globally billed. Only the professional component of this service qualifies for the bonus payment. The bonus cannot be paid on the technical component of globally billed services.</p> <p>ACTION: Carriers return the service as unprocessable and notify the physician that the professional component must be re-billed if it is performed within a qualifying bonus area. If the technical component is the only component of the service that was performed in the bonus area, there wouldn't be a qualifying service.</p>
1	Professional Component (modifier 26). Carriers pay the bonus.
1	Technical Component (modifier TC). Carriers do not pay the bonus.
2	Professional Component only. Carriers pay the bonus.
3	Technical Component only. Carriers do not pay the bonus.
4	<p>Global test only. Only the professional component of this service qualifies for the bonus payment.</p> <p>ACTION: Carriers return the service as unprocessable. They instruct the</p>

PC/TC Indicator	Bonus Payment Policy
	provider to re-bill the service as separate professional and technical component procedure codes.
5	Incident to codes. Carriers do not pay the bonus.
6	Laboratory physician interpretation codes. Carriers pay the bonus.
7	Physical therapy service. Carriers do not pay the bonus.
8	Physician interpretation codes. Carriers pay the bonus.
9	Concept of PC/TC does not apply. Carriers do not pay the bonus.

NOTE: Codes that have a status of “X” on the Medicare Physician Fee Schedule Database (MFSDB) have been assigned PC/TC indicator 9 and are not considered physician services for MFSDB payment purposes. Therefore, neither the HPSA bonus payment nor the physician scarcity area will be paid for these codes.

B - Anesthesia Codes (CPT Codes 00100 Through 01999) That Do Not Appear on the MFSDB

Anesthesia codes (CPT codes 00100 through 01999) do not appear on the MFSDB. However, when a medically necessary anesthesia service is furnished within a HPSA or physician scarcity area by a physician, a HPSA bonus and/or physician scarcity bonus is payable.

To claim a bonus payment for anesthesia, physicians bill codes 00100 through 01999 with modifiers QY, QK, AD, AA, or GC to signify that the anesthesia service was performed by a physician along with the QB or QU modifier when required per §90.4.3.

C – Mental Health Services

Physicians’ professional services rendered by the provider specialty of 26 – psychiatry, are eligible for a HPSA bonus when rendered in a mental health HPSA. The service must have a PC/TC designation per the chart above. Should a zip code fall within both a primary care and mental health HPSA, only one bonus must be paid on the service.